

Famous Quotation

- “Pay only for what you need”
- “Get what you pay for”
- “Choose how you wish to pay”
 - Through payroll deductions -higher premiums
greater protection
 - At time of service - higher copayments -
catastrophic coverage
- “One size does not fit all”

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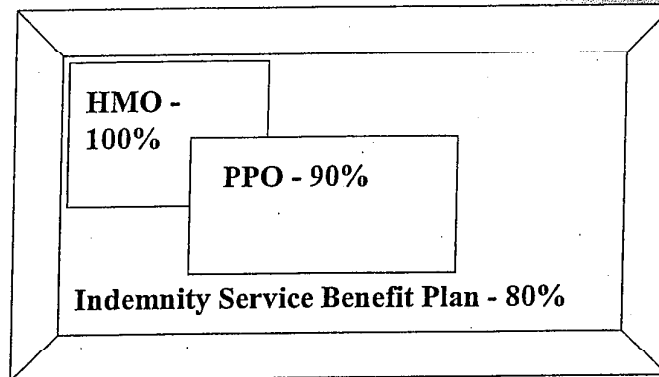
Overall Design Strategy

- Multiple plan options
- Multiple options within plans
- All plans with contribution rates that
recognize differing family needs

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#1-Triple Option Medical Plan



Choices made at time of service

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Triple Option Medical Plan

- Participant can select triple option plan and choose to see Primary Care Physician who is in the very "elite" network or,
- See any provider in the PPO or,
- See any physician
- Reimbursement is based upon which choice the participant makes

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Triple Option Plan

- Advantages
 - Participants are not “locked-in” to network
 - Stable premium for all who elect plan
 - Choice to vary cost participation at the time of service
 - More tightly controlled network provides higher benefits, lower cost
 - Greatest amount of participant flexibility

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#2 - Low Option HMO

- Provides office copayments and deductibles that allow plan to “free” to single participants who elect plan
- Ideal plan for single, younger or healthier participants who don’t want to pay a premium
- Contribution is paid through copayments at time of service or prescription

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#3 - Catastrophic Supplemental Plan

- Ideal plan for those who are covered through spouses plan or wish to self-insure
- Produces a “credit” in the plan that can be used to purchase other benefits
- \$1,000 in scheduled benefits including prescription, then \$1,000 deductible and thereafter 80% of covered expenses
- Coordinates well with other coverage

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Retiree Coverages

- Medicare plus choice plan to “track” legislated contribution, but reduces possibility of any retiree contributions
- Produces credit to be used to purchase Long-Term Care insurance
- Adjusts copayments to keep plan within Cost guidelines

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Retiree Coverages

- Retiree Medical Savings Plan
 - Pays benefits at the same level as Medicare Plus Choice plans, but
 - Allows for a lifetime benefit credit
 - Years of low consumption produce credit to be carried over to subsequent years to be used to provide higher reimbursement of expenses and cover catastrophic care needs or
 - In-home health care expense
 - Lower users are rewarded in subsequent years

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Contributions Recognize “One Size Does Not Fit All”

- Single
- Single plus one child (single parent)
- Participant plus spouse
- Participant plus spouse over 65 (Medicare)
- Participant plus children
- Participant and Family

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Family Medical Package

- Combined Medical, Dental, Vision, Orthodontic and Prescription coverage
- Combined annual maximum from all coverages with excess medical benefit
- Lower utilization in one component, produces credits in the other
- Allows families to “budget” expenses across all family needs

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